

AUDITING PROCEDURES REPORT

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Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name TOWNSHIP OF FLYNN	County SANILAC
Audit Date 3-31-2005	Opinion Date 5-25-2005	Date Accountant Report Submitted to State:	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X
			X

Certified Public Accountant (Firm Name) ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.			
Street Address 715 E. FRANK STREET		City CARO	State MI
Accountant Signature <i>Jay Anderson CPA</i>		ZIP 48723	

**TOWNSHIP OF FLYNN,
SANILAC COUNTY
Brown City, Michigan**

**Report on Financial Statements
(with additional information)
Year Ended March 31, 2005**

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May 25, 2005

INDEPENDENT AUDITORS' REPORT

Township of Flynn
Sanilac County
Brown City, Michigan 48416

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Township of Flynn as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Township of Flynn's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in the financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Township of Flynn's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Flynn as of March 31, 2005, or changes in its financial position or cash flows where applicable, for the year then ended.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Flynn Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

General Purpose Financial Statements

TOWNSHIP OF FLYNN, SANILAC COUNTY
COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS
March 31, 2005

	GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPE
	GENERAL	SPECIAL REVENUE	AGENCY
<u>ASSETS</u>			
Cash	\$ 39,855	\$ 23,667	\$ 3,619
Certificate of Deposit	110,181		
Taxes Receivable			48,260
Due from other funds	5,439	2,235	
Fixed Assets			
TOTAL ASSETS	\$ 155,475	\$ 25,902	\$ 51,879
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Due to other funds			\$ 7,674
Due to other Governmental Units			44,205
TOTAL LIABILITIES	-	-	51,879
FUND EQUITY:			
Investment in general fixed assets			
Fund Balance - undesignated	\$ 155,475		
Fund Balance - designated		25,902	
TOTAL FUND BALANCE	155,475	25,902	-
TOTAL LIABILITIES & FUND EQUITY	\$ 155,475	\$ 25,902	\$ 51,879

The accompanying notes are an integral part of the financial statements.

<u>FIDUCIARY FUND TYPE</u>	<u>ACCOUNT GROUPS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<u>PERMANENT FUND</u>	<u>GENERAL FIXED ASSETS</u>	
\$ 11,039		\$ 78,180
28,847		139,028
		48,260
		7,674
	\$ 270,749	270,749
<u>\$ 39,886</u>	<u>\$ 270,749</u>	<u>\$ 543,891</u>
		\$ 7,674
		44,205
		51,879
	\$ 270,749	270,749
\$ 39,886		155,475
		65,788
39,886	270,749	492,012
<u>\$ 39,886</u>	<u>\$ 270,749</u>	<u>\$ 543,891</u>

TOWNSHIP OF FLYNN, SANILAC COUNTY
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2005

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTALS (MEMORANDUM ONLY)
REVENUE:			
Taxes	\$ 18,392	\$ 22,576	\$ 40,968
Licenses & permits	839		839
State revenue sharing	71,525		71,525
State revenue sharing - Metro	0	3,066	3,066
Charges for services	0		0
Other revenue	13,466	283	13,749
TOTAL REVENUE	104,222	25,925	130,147
EXPENDITURES:			
Legislative	8,383		8,383
Executive	7,882		7,882
Clerk	7,615		7,615
Board of Review	712		712
Assessor	7,456		7,456
Treasurer	8,385		8,385
Elections	3,212		3,212
Township hall & grounds	13,789		13,789
Planning & Zoning	550		550
Public safety	23,629		23,629
Road expense - Metro	0	1,344	1,344
Public works	85,632	22,000	107,632
TOTAL EXPENDITURES	167,245	23,344	190,589
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(63,023)	2,581	(60,442)
FUND BALANCE - BEGINNING OF YEAR	218,498	23,321	241,819
FUND BALANCE - END OF YEAR	\$ 155,475	\$ 25,902	\$ 181,377

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FLYNN, SANILAC COUNTY
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) - AND ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2005

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUE:			
Taxes	\$ 16,500	\$ 18,392	\$ 1,892
Licenses & permits	800	839	39
State revenue sharing	58,000	71,525	13,525
State revenue sharing - Metro	0	0	-
Charges for services	2,700	0	(2,700)
Other revenue	11,600	13,466	1,866
TOTAL REVENUE	89,600	104,222	14,622
EXPENDITURES:			
Legislative	10,300	8,383	1,917
Executive	8,250	7,882	368
Clerk	7,900	7,615	285
Board of Review	1,000	712	288
Assessor	7,600	7,456	144
Treasurer	8,550	8,385	165
Election	3,500	3,212	288
Township hall & grounds	25,100	13,789	11,311
Planning & Zoning	2,500	550	1,950
Public safety	30,000	23,629	6,371
Road expense - Metro	0	0	-
Public works	108,000	85,632	22,368
TOTAL EXPENDITURES	212,700	167,245	45,455
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(123,100)	(63,023)	60,077
FUND BALANCE - BEGINNING OF YEAR	218,498	218,498	-
FUND BALANCE - END OF YEAR	\$ 95,398	\$ 155,475	\$ 60,077

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUNDS			TOTALS		
BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
\$ 11,934	\$ 22,576	\$ 10,642	\$ 28,434	\$ 40,968	\$ 12,534
		-	800	839	39
3,066	3,066	-	58,000	71,525	13,525
		-	5,766	3,066	(2,700)
		-		-	-
-	283	283	11,600	13,749	2,149
15,000	25,925	10,925	104,600	130,147	25,547
		-	10,300	8,383	1,917
		-	8,250	7,882	368
		-	7,900	7,615	285
		-	1,000	712	288
		-	7,600	7,456	144
		-	8,550	8,385	165
		-	3,500	3,212	288
		-	25,100	13,789	11,311
		-	2,500	550	1,950
		-	30,000	23,629	6,371
1,344	1,344	-	1,344	1,344	-
21,656	22,000	(344)	129,656	107,632	22,024
23,000	23,344	(344)	235,700	190,589	45,111
(8,000)	2,581	10,581	(131,100)	(60,442)	70,658
23,321	23,321	-	241,819	241,819	-
\$ 15,321	\$ 25,902	\$ 10,581	\$ 110,719	\$ 181,377	\$ 70,658

TOWNSHIP OF FLYNN, SANILAC COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - PERMANENT FUND
FOR THE YEAR MARCH 31, 2005

	<u>ACTUAL</u>
REVENUE:	
Sale of Lots	\$ 300
Interest	<u>1,437</u>
TOTAL REVENUE	<u>1,737</u>
 EXPENDITURES:	
TOTAL EXPENDITURES	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	1,737
FUND BALANCE - BEGINNING OF YEAR	<u>38,149</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 39,886</u></u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FLYNN, SANILAC COUNTY
STATEMENT OF CASH FLOWS - PERMANENT FUND
FOR THE YEAR MARCH 31, 2005

OPERATING ACTIVITIES:

Excess of Revenues and other Financing Sources Over Expenses and Other Financing Uses	<u>\$ 1,737</u>
Net Cash Provided by Operating Activities	<u>1,737</u>
Net Increase in Cash and Cash Equivalents	1,737
Cash and Cash Equivalents, Beginning of Year	<u>38,149</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 39,886</u></u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FLYNN, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF TOWNSHIP OPERATIONS AND FUND TYPES:

The Township of Flynn covers an area of approximately 36 square miles within Sanilac County. The Township operates under an elected Board of Trustees (5 members) and provides services to its more than 900 residents in many areas including, administration of justice, community enrichment and development and human services.

The financial statements of the Township of Flynn have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

REPORTING ENTITY:

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, currently GASB Statement #14, the Financial Reporting Entity.

Based upon the application of these criteria, the general purpose financial statements of the Township of Flynn contain all the funds and account groups controlled by the Township Board of Trustees as no other entity meets the criteria to be considered a blended component unit or a discretely presented component of the Township nor is the Township a component unit of another entity.

FUND ACCOUNTING:

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

Account groups are used to account for fixed assets and long-term liabilities that are not reported in the respective governmental funds.

TOWNSHIP OF FLYNN, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used to revenue recognition for all other governmental fund revenues susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, federal and state grants, special assessments, licenses, interest revenue and charges for services. Fines, permits and sales tax and other state revenues are not susceptible to accrual because generally they are not measurable until received in cash.

BUDGETS AND BUDGETARY ACCOUNTING:

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year-end.

Encumbrances represent commitments related to unperformed contracts for goods or services. The Township does not utilize encumbrance accounting.

CASH AND INVESTMENTS:

Cash includes amounts in petty cash and demand deposits. Investments included instruments allowed by state statute subsequently described. Investments are carried at amortized cost or fair value. The Township's deposits and investments are in accordance with statutory authority.

State statutes authorize the Township to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 50% of any fund at any time. The Township is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

TOWNSHIP OF FLYNN, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

RECEIVABLES:

Receivables consist primarily of amounts for taxes and customer charges. No allowance for doubtful accounts is considered necessary and credit risk is minimal because of the large number of customers and the authority of the Township to add receivables to the tax rolls which are secured by the underlying property.

FIXED ASSETS:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued to cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are value at their estimated fair market value on the date received. Fixed assets purchased within the proprietary funds and the non-expendable trust fund are reported as assets within those funds and accordingly, are included on their balance sheet.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. Primarily because of this policy, total expenditures for capital improvements in the governmental funds do not equal total additions to the general fixed asset account group.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed over the estimated useful lives using the straight-line method.

INTERFUND TRANSACTIONS:

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reoccurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

MEMORANDUM ONLY - TOTAL COLUMNS:

The total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data

ESTIMATES:

The preparation of financial statements in conformity with the U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWNSHIP OF FLYNN, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 2 - CHANGES IN GENERAL FIXED ASSETS:

A summary of changes in general fixed assets follows:

	BALANCE MARCH 31, 2004	ADDITIONS	REDUCTIONS	BALANCE MARCH 31, 2005
Fixed Assets	<u>\$270,749</u>	<u>-</u>	<u>-</u>	<u>\$270,749</u>

NOTE 3 - CASH AND INVESTMENTS:

Cash and investments are held separately by each of the Township's funds.

DEPOSITS:

At year-end, the carrying amount of the Township's deposits was \$217,208 and the bank balance was \$244,921, \$244,921 of which was covered by federal depository insurance.

INVESTMENTS:

The Township's investments are categorized to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes investments that are insured or registered, or securities held by the Township's or the Township's agent in the Township's name. Category 2 includes investments that are uninsured and unregistered, with securities held by the counter-part's trust department or its agent in the Township's name. Category 3 includes investments that are uninsured and unregistered, with the securities held by the counterparty, or by its trust department or its agent but not in the Township's name. At March 31, 2005, the Township had no Category 1,2 or 3 investments.

The Township's cash, cash equivalents, investments and restricted assets at March 31, 2005 are composed of the following:

	CASH AND CASH EQUIVALENTS	INVESTMENTS	RESTRICTED ASSETS
General Fund:			
Deposits	\$150,036		
Other Funds:			
Deposits	<u>23,667</u>		<u>\$43,505</u>
TOTAL	<u>\$173,703</u>	<u>NONE</u>	<u>\$43,505</u>

NOTE 4 - DUE TO AND FROM OTHER FUNDS:

Due to and from other funds balances at March 31, 2005 are as follows:

FUND	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS
General Fund	\$5,439	
Trust and agency:		
Current Tax Collection Fund		\$7,674
Special Revenue:		
Road Fund	<u>2,235</u>	<u>-</u>
TOTAL	<u>\$7,674</u>	<u>\$7,674</u>

TOWNSHIP OF FLYNN, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 5 - LEGAL COMPLIANCE - BUDGETS:

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or prior to April 1 of each year, a proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Board of Trustees.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.
6. Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations which were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

NOTE 6 - PROPERTY TAX REVENUE:

Property taxes become an enforceable lien on the property as of December 1. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district, state education fund and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year that includes the December 1 levy date. The Township levied 1.8147 mills (.8147 mills operating, 1 mill roads) on an SEV of \$22,579,241.

NOTE 7 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above-described activities. The Township did not have any losses in the three prior fiscal years.

NOTE 8 - GASB 34:

The Township chose not to adopt GASB 34, which is required by Generally Accepted Accounting Principals (GAAP). This departure from GAAP is also noted in the audit report letter.

Supplemental Information

TOWNSHIP OF FLYNN, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE			
Current property taxes	\$ 16,500	\$ 18,392	\$ 1,892
Licenses & permits	800	839	39
State revenue sharing	58,000	71,525	13,525
Services:			
Fire	1,700	-	(1,700)
Ditch Cleanout	1,000	-	(1,000)
Total Services	2,700	-	(2,700)
Other Revenue:			
Interest	4,000	5,311	1,311
Hall Rental	6,000	6,525	525
Miscellaneous	1,600	1,630	30
Total Other Revenue	11,600	13,466	1,866
TOTAL REVENUE	<u>89,600</u>	<u>104,222</u>	<u>14,622</u>
EXPENDITURES			
Legislative:			
Salaries & wages - township board	3,500	3,370	130
Auditing & legal fees	4,500	4,327	173
Dues	300	95	205
Supplies	1,000	591	409
Education & training	1,000	-	1,000
Total Legislative	10,300	8,383	1,917
Executive:			
Salaries and wages	7,050	6,735	315
Office supplies & expenses	1,200	1,147	53
Total Executive	8,250	7,882	368

TOWNSHIP OF FLYNN, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2005

EXPENDITURES: (Continued)	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
Clerk:			
Salaries & wages	\$ 7,900	\$ 7,615	\$ 285
Total Clerk	7,900	7,615	285
Board of Review:			
Salaries & wages	1,000	712	288
Total Board of Review	1,000	712	288
Assessor:			
Salaries & wages	7,600	7,456	144
Total Assessor	7,600	7,456	144
Treasurer:			
Salaries & wages	8,550	8,385	165
Total Treasurer	8,550	8,385	165
Election:			
Salaries & wages	3,500	3,212	288
Total Election	3,500	3,212	288
Township Hall & Grounds:			
Insurance	5,000	4,485	515
Utilities	11,500	1,123	10,377
Senior Center	8,600	8,181	419
Total Township Hall & Grounds	25,100	13,789	11,311
Planning & Zoning:			
Salaries & wages	2,500	550	1,950
Total Planning & Zoning	2,500	550	1,950
Public Safety:			
Contracted services - fire protection	30,000	23,629	6,371
Total Public Safety	30,000	23,629	6,371

TOWNSHIP OF FLYNN, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES: (Continued)			
Public Works:			
Ditch Cleanout	\$ 3,000	\$ -	\$ 3,000
Drains at large	15,000	8,128	6,872
Cemetery	5,000	2,568	2,432
Roads	<u>85,000</u>	<u>74,936</u>	<u>10,064</u>
Total Public Works	<u>108,000</u>	<u>85,632</u>	<u>22,368</u>
TOTAL EXPENDITURES	<u>212,700</u>	<u>167,245</u>	<u>45,455</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(123,100)</u>	<u>(63,023)</u>	<u>60,077</u>
FUND BALANCE - BEGINNING OF YEAR	<u>218,498</u>	<u>218,498</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 95,398</u></u>	<u><u>\$ 155,475</u></u>	<u><u>\$ 60,077</u></u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FLYNN, SANILAC COUNTY
CURRENT TAX COLLECTION FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED MARCH 31, 2005

	<u>BALANCE MARCH 31, 2004</u>	<u>ADDITION</u>	<u>REDUCTION</u>	<u>BALANCE MARCH 31, 2005</u>
<u>ASSETS</u>				
Cash	\$ 6,679	\$ -	\$ 3,060	\$ 3,619
Taxes - receivable	4,098	579,295	535,133	48,260
<u>TOTAL ASSETS</u>	<u>\$ 10,777</u>	<u>\$ 579,295</u>	<u>\$ 538,193</u>	<u>\$ 51,879</u>
 <u>LIABILITIES</u>				
Due to general fund	8,614	21,567	18,392	5,439
Due to road fund	2,163	22,504	22,576	2,235
Due to other Governmental Units	-	494,122	538,327	44,205
<u>TOTAL LIABILITIES</u>	<u>\$ 10,777</u>	<u>\$ 538,193</u>	<u>\$ 579,295</u>	<u>\$ 51,879</u>

The accompanying notes are an integral part of the financial statements.